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MEDIUM-TERM PLAN FOR THE PERIOD 1993-1996: FINANCIAL PLAN AND RELATED RECOMMENDATION

SUMMARY

At its 1990 regular session, the Executive Board decided that certain agenda items, as well as the relevant documentation, would be considered on a biennial basis at its future session. One of those items was the medium-term plan, except for the financial plan and related recommendation. As a result, this year's medium-term plan contains only the financial medium-term plan for the period 1993-1996 and the related recommendation.

The present document reflects the changes to the format of the tables and figures reviewed by the Reference Group and noted by the Executive Board in decision 1992/36 (E/ICEF/1992/14).

The major purpose of the plan is to enable the Executive Board to review the previous year's financial plan as well as the updated income projections. The plan also provides the Board with a basis for determining the level of programme submissions that should be prepared for the 1994 session.

The Executive Director recommends that the Executive Board approve the medium-term plan as a framework of projections for 1993-1996, including the preparation of up to $330 million in programme expenditures from general resources to be submitted to the 1994 Executive Board. The amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid.

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I. FINANCIAL MEDIUM-TERM PLAN FOR 1993-1996

A. The financial plan process

1. The financial plan is a framework of projections which, to satisfy the specific financial requirements of UNICEF, has four main purposes:

(a) To estimate future general resources and supplementary funds income;

(b) To plan affordable levels of general resources programme expenditures;

(c) To plan the budgetary estimates necessary to support programme expenditures;

(d) To maintain the liquidity requirement.

2. The financial plan projects income based on the results of the annual United Nations Pledging Conference for Development Activities, recent trends in contributions, the Programme Funding Office's fund-raising targets and the Greeting Card and related operations (GCO) work plan. Expenditures are based on the outstanding amounts of approved programmes plus estimated expenditures on future programmes. Programme and budget plans, implementation experience and available resources provide the basis for the yearly phasing of expenditures.

3. The Executive Board approves expenditures for the budget and for programme cooperation for financing from general resources. UNICEF has a biennial budget cycle; the Executive Board reviews the administrative and programme support budget every two years. The Executive Board also reviews the global funds budget on a biennial basis. UNICEF prepares estimates of country programme cooperation to cover a longer period, usually four to five years, according to the national planning cycles of the countries involved.

4. General resources programmes prepared for approval by the Executive Board at any given session are such that the resulting expenditures, in combination with previously approved expenditures, permit the most effective use of the resources estimated to be available in the following years.

5. Spending from supplementary funds, except in specific circumstances approved by the Executive Board, begins upon receipt of pledges for supplementary-funded programmes previously approved by the Executive Board.

6. Actual amounts of income and expenditures can differ from the plan because:

(a) Income depends upon voluntary contributions;

(b) The rate of expenditures depends upon many factors, some of which are beyond UNICEF control;

(c) Fluctuation of rates of exchange, etc., adds considerable uncertainty to income and expenditure projections.

7. UNICEF does not have temporary credit facilities to cover potential differences from planned income and expenditures. If general resources income is lower than estimated, the main regulators of expenditures are:

(a) The amounts of new programmes submitted to the Executive Board for approval;

(b) Reducing the existing administrative and programme support budget;

(c) Slowing spending on already approved programmes.

8. Since these regulators take time to carry out, UNICEF must maintain a certain amount of cash as a liquidity provision. In addition to providing a cushion for planning errors, the liquidity provision covers the cash flow imbalance that normally occurs in the first part of the year when disbursements exceed receipts. To meet this requirement, UNICEF liquidity policy recommends a year-end general resources convertible cash balance equal to 10 per cent of projected general resources income.

9. To manage the financial plan against uncertainties, UNICEF has a monthly financial monitoring system that reviews progress against the plan, identifies deviations and prompts corrective action as necessary. Furthermore, UNICEF revises the financial plan each year on a "rolling basis" to reflect the latest income estimates. UNICEF uses the revised estimates to update the annual expenditure phasing and to determine the level of estimated programme cooperation to be prepared for the following years.

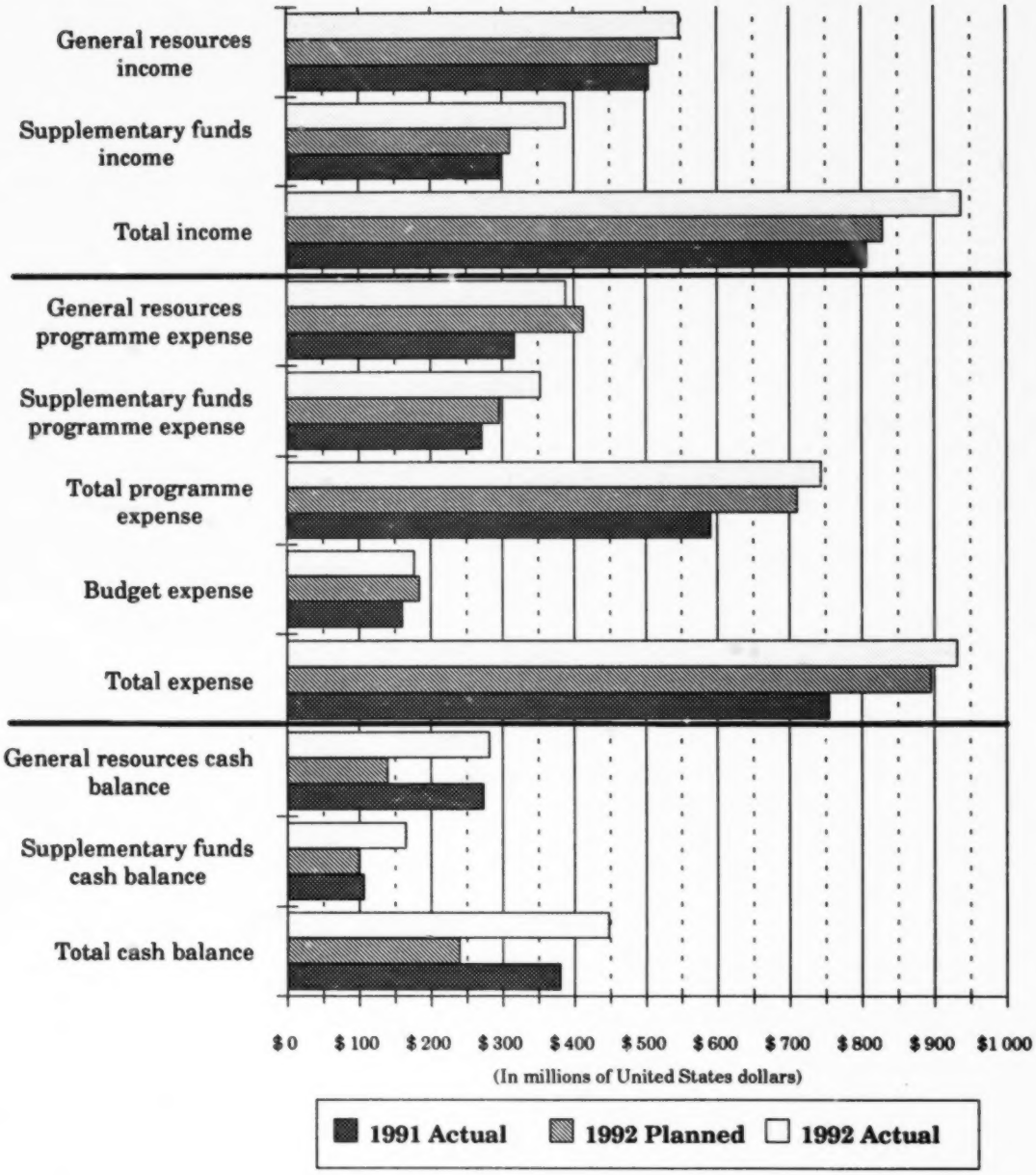
10. The major purpose of the plan is to enable the Executive Board to review the performance of the previous year's financial plan as well as UNICEF updated income projections. The plan provides the Executive Board with a basis for determining the total level of programme submissions that UNICEF should prepare for the 1994 session.

B. 1992 performance compared with the financial plan

11. Figure I below provides a comparison between the actual 1992 results, the planned 1992 financial activities and the prior year's results.

Figure I

Financial performance for 1992



Income

12. General resources income from Governments for 1992 was $426 million. This was $14 million more than the medium-term plan. Some major European donors paid their contributions when the value of the United States dollar was at its lowest point during the year, causing a gain of $13 million compared to the plan. The remaining $1 million gain was the result of donors contributing more than expected in their local currencies.

13. General resources income from non-government sources, primarily National Committees for UNICEF, was $22 million, $3 million less than the medium-term plan. GCO provided UNICEF with income of $95 million, $12 million more than the plan.

14. Total general resources income was $548 million, $30 million more than the medium-term plan forecast.

15. Total supplementary funds income for 1992 was $390 million, $78 million more than the medium-term plan estimate of $312 million. However, there was a difference in the proportion of contributions for programmes and contributions for emergencies compared to the financial medium-term plan. Contributions to supplementary-funded programmes were $186 million, $46 million less than the plan, while contributions for emergencies were $204 million, $124 million greater than the plan. Contributions to emergencies included $41 million for Somalia, $37 million for Iraq, $23 million for the former Yugoslavia, $17 million for Kenya and $15 million for the Sudan.

16. Total UNICEF income for 1992 was $938 million, $108 million more than the medium-term plan level. This was the first time in UNICEF history that income exceeded $900 million.

Expenditures

17. General resources programme expenditures were $390 million, $24 million less than the medium-term plan. Although programme expenditures did not reach the 1992 medium-term plan target of $414 million, they were $72 million (23 per cent) higher than 1991.

18. Administrative and programme support budget expenditures for 1992 were $178 million. This represents savings of $7 million compared to the financial medium-term plan.

19. Supplementary fund programme expenditures for the year were $354 million. This was $57 million more than the medium-term plan estimate due to the high level of emergency related activities.

20. Total expenditures in 1992 were $932 million, $36 million more than the medium-term plan amount.

Cash balances

21. In addition to income and expenditures, movements in non-cash assets and liabilities on the balance sheet also affect year-end cash balances. Increases in assets reduce cash balances; increases in liabilities increase cash balances.

22. Contributions receivable are the largest non-cash asset on the UNICEF balance sheet. General resources contributions receivable decreased by $11 million in 1992. Supplementary funds contributions receivable increased by $11 million.

23. Inventories consist of the Supply Division inventory and some GCO stock. Supply Division uses inventory to meet the requirements for standard supply and equipment items for UNICEF programmes, as well as for procurement services, particularly essential drugs. At the end of 1992, inventories totalled $49 million, representing an increase of $9 million.

24. Contributions for following years received in advance is the largest liability on the UNICEF balance sheet. For general resources, this account increased by $16 million in 1992. For supplementary funds, the balance in this account increased by $34 million.

25. The net effect on general resources cash balances of all changes in non-cash assets and liabilities was to increase cash by $29 million. For supplementary funds, the net effect on cash balances of all changes in non-cash assets and liabilities was to increase cash by $33 million.

26. The ending 1992 general resources cash balance was $283 million. This was $143 million greater than the plan. The general resources cash balance consists of convertible currencies ($275 million) and non-convertible currencies ($8 million). The 1992 supplementary funds cash balance was $166 million, $66 million more than the medium-term plan. The total cash balance (excluding funds-in-trust) was $449 million. This was $209 million more than the level forecast in the medium-term plan.

27. Although the general resources convertible cash balance exceeds the current liquidity requirement by $220 million, certain items should be noted. UNICEF is grateful that a major government donor paid a portion of its 1993 contributions to general resources before year-end 1992. Since this partial payment, amounting to $73 million, is for a 1993 contribution, the cash cannot be considered surplus as of the end of 1992. Of the remaining cash balance, $19 million has been earmarked for the purchase of office and staff accommodations in the field as part of the capital asset fund approved by the Executive Board. Also, $6 million of the cash balance represents UNICEF and staff contributions to the medical insurance fund. After these items are considered, the available general resources convertible cash balance is $177 million, $122 million more than the minimum liquidity requirement of $55 million.

C. How UNICEF projects income

28. UNICEF uses income projections to plan and begin programme spending from general resources in advance of receiving actual pledges. Using income projections enables the amount of planned expenditures for a year to be close to the amount of income received for a year. If UNICEF set programme planning levels after receiving income, expenditures would trail rather than match income. The result would be higher cash balances and a lower level of programme implementation.

29. The major source of income to general resources is contributions from Governments. In 1992, contributions from Governments were $426 million, or 78 per cent of income to general resources. Although many countries give to UNICEF, the top 20 donors account for 98 per cent of general resources income from Governments. Therefore, by estimating income for those 20 major donors, UNICEF can reasonably predict total income from Governments.

30. The results from the annual United Nations Pledging Conference are the primary source of information for the current year. In addition, some donors have announced their contributions since the Pledging Conference. When a donor does not pledge, UNICEF has to rely upon the donor's history of contributions and any information obtained from meetings and discussions with donors.

31. To arrive at the forecast for future years, internal meetings take place to discuss recent trends in development aid and the global economic situation. The situation for each major donor is then discussed. The Programme Funding Office shares its views on the long-term income prospects for each of the major donors. By using this information and the donor's history of contributions, a moderate and high forecast for each major donor is determined. These forecasts are totalled with a lump-sum forecast for all other countries to arrive at the forecasts shown in the financial medium-term plan.

32. UNICEF uses the United States dollar as its currency for financial reporting. Most donors pledge and pay their contributions in their national currencies. This means that income projections are sensitive to changes in the value of the United States dollar. When the value of the dollar decreases, UNICEF income increases. When the value of the dollar increases, UNICEF income decreases. Predicting long-term changes in the value of the United States dollar with any accuracy is extremely difficult and risky. For this reason, the financial medium-term plan does not try to predict United States dollar movement. UNICEF uses the official United Nations rate of exchange at the publication date of the financial medium-term plan to translate non-United States dollar income projections into United States dollars.

D. Financial plan for 1993-1996

Income projections for 1993-1996

33. Table 1 below shows income projections from various sources. These projections are set for planning purposes and do not imply a commitment on the part of individual donors since all contributions to UNICEF are voluntary. They are in United States dollars using the February 1993 United Nations rates of exchange.

Table 1. UNICEF income projections

(In millions of United States dollars)

	Average % last 5 years	Actual 1991	Actual 1992	Actual 1993	1994 a/	1994 b/	Plan 1995 a/	Plan 1995 b/	Plan 1996 a/	Plan 1996 b/
General resources										
Governments		397	426	400	425	439	445	495	465	572
Non-governmental sources		18	22	23	25	28	27	30	29	32
GCO		70	95	93	99	104	107	112	115	121
Interest income		20	24	22	15	16	12	13	11	12
Other income		1	-19	7	7	7	7	7	7	7
Total, General resources		506	548	545	571	594	598	657	627	744
Growth (%)	11	-5	8	-1	5	9	5	11	5	13
Supplementary funds										
(a) Programmes										
Governments		87	114	124	132	152	144	176	162	200
Non-governmental sources		82	74	78	82	85	86	89	90	93
United Nations		3	2	3	3	4	3	4	3	4
Other income		-7	-4	0	0	0	0	0	0	0
Subtotal, Programmes		165	186	205	217	241	233	269	255	297
Growth (%)	1	-29	13	10	6	18	7	12	9	10
(b) Emergencies										
Governments		95	148	119	106	116	93	103	80	90
Non-governmental sources		33	39	35	34	36	33	35	32	34
United Nations		8	17	11	10	11	9	10	8	9
Subtotal, Emergencies		136	204	165	150	163	135	148	120	133
Growth (%)	55	139	50	-19	-9	-1	-10	-9	-11	-10
Total, Supplementary funds		301	390	370	367	404	368	417	375	430
Growth (%)	12	4	30	-5	-1	9	0	3	2	3
Total income		807	938	915	938	998	966	1074	1002	1174
Growth (%)	11	-2	16	-2	3	9	3	8	4	9

a/ These moderate income projections are used as the basis for determining programme and budget expenditure levels in the medium-term plan.

b/ These higher income levels are presented here as a target for UNICEF fund-raising efforts. If these levels of income are achieved, the programme expenditure levels contained in the medium-term plan would increase.

34. Table 1 shows the yearly projections of income for the period 1994-1996 as a range. The lower end of the range represents a moderate income growth projection. UNICEF uses this projection for determining the programme and budget expenditure levels presented in the medium-term plan. The higher end of the range represents the target level for UNICEF fund-raising efforts. If UNICEF achieves the higher levels of income, the programme spending levels contained in the medium-term plan would increase. Since the medium-term plan uses the lower end of the range to determine spending levels, these are the income projections that appear in all the remaining tables and text in the present document.

35. The financial plan forecasts total income for 1993 of $915 million, 2.5 per cent less than 1992. The plan forecasts that total income will exceed $1 billion by 1996, using an average annual growth rate of 3.1 per cent from 1993 to 1996. UNICEF actual average annual growth for the five years preceding the plan was 11 per cent.

General resources income

36. Due to the difficult economic situation faced by some major donors and the effect of a rising United States dollar, the forecast of general resources income for 1993-1995 is less than forecast in last year's financial medium-term plan.

37. The financial plan forecasts total general resources income to be $545 million in 1993, a decrease of 0.5 per cent from 1992. For the period 1994-1996, total general resources income is forecast to increase at an average annual rate of 4.8 per cent, reaching $627 million in 1996.

38. The various sources of general resources income are shown in table 1. The breakdown is as follows:

(a) Government contributions: Some major government donors have indicated a possible reduction in their 1993 contributions to general resources. This factor, combined with the effect of the increased value of the United States dollar, results in a forecast of general resources income from Governments for 1993 that is lower than 1992. The financial plan forecasts government contributions to be $400 million in 1993, $26 million less than 1992. For the period 1993-1996, the financial plan forecasts an average annual growth of 4.8 per cent;

(b) Non-government contributions: The financial plan forecasts that non-government contributions will be $23 million in 1993 and then increase by about $2 million per year;

(c) GCO: The projections are a reflection of the current GCO work plan, adjusted for the effects of the timing difference between the GCO and UNICEF fiscal years. Details of the GCO work plan are given in document E/ICEF/1993/AB/L.6. Net GCO income includes income from the sale of GCO products, private sector fund-raising and special fund-raising events and new initiatives. The financial plan forecasts that UNICEF will record income from GCO of $93 million in 1993 and that income from GCO will increase to $115 million by 1996;

(d) Interest income: UNICEF will earn less interest as cash balances decrease. Therefore, the financial plan projects that interest income will be $22 million in 1993 and then decline to $11 million by 1996;

(e) Other income: Other income consists of gains/losses due to exchange rate movements and other miscellaneous items. Other miscellaneous income items are forecast to be $7 million a year throughout the plan period.

Supplementary funds income

39. UNICEF receives contributions for supplementary funds for programmes as well as for emergency relief. Table 1 shows forecasts of these contributions separately. Supplementary funds contributions for emergency relief were at an all time high level in 1992. Recognizing 1992 as an extraordinary year for emergency appeals, the financial medium-term plan assumes a trend towards the more traditional balance between emergency and non-emergency contributions. As a result, the financial plan forecasts a decrease in contributions to emergencies with a corresponding increase in contributions to non-emergency programmes. The financial plan forecasts non-emergency contributions for 1993 of $205 million. For the years 1994-1996, non-emergency contributions are projected to increase at an average annual rate of 7.5 per cent, reaching $255 million in 1996. The financial plan assumes contributions for emergencies of $165 million for 1993, declining to $120 million by 1996. The net result is an almost uniform level of total supplementary funds income from 1993-1996.

Liquidity

40. To meet liquidity requirements, UNICEF liquidity policy recommends that the general resources convertible cash balance should equal 10 per cent of projected general resources income. Last year's financial plan set planned general resource expenditures at a level that would reduce the general resources convertible cash balance to the 10 per cent level by the end of 1995. This year's financial plan maintains that target although the general resource convertible balance for 1995 shown in table 4 is $7 million higher than the liquidity requirement. This extra allowance is to allow for the additional costs of possible decisions by the Executive Board on headquarters office accommodation (E/ICEF/1993/AB/L.9) and on the proposed administrative management study of UNICEF (E/ICEF/1993/AB/L.8). The costs of these two items are not included in the financial medium-term plan expenditure estimates.

41. Supplementary funds cash balances are forecast to decrease from the 1992 year-end balance of $166 million to $100 million by the end of 1996.

Projected programme expenditures

42. At the beginning of 1993, there was an unspent balance of approved general resources programme commitments of $908 million planned for implementation from 1993 through 1997.

43. General resources programmes proposed to the 1993 Executive Board amount to $384 million. These programme recommendations are summarized in the programme "round up" document (E/ICEF/1993/P/L.2 and Add.1).

44. The plan provides for the preparation of $330 million of general resources programme proposals for the approval of the 1994 Executive Board. This is the amount present income projections and liquidity requirements would make possible. If future information about projected income shows levels different from the plan, the scale of programme preparation will be adjusted accordingly.

45. The 1993-1996 level of planned spending is in line with the goal of maximizing programme expenditures while maintaining general resources liquidity. The estimated yearly phasing of expenditures on approved, new and future programme recommendations is shown in table 2 below.

46. The strategy of this year's financial medium-term plan is to use the surplus general resources cash balance to offset the effects of the lowered general resources income forecast. By reducing the cash balance, UNICEF can maintain general resources programme expenditures at least at 1992 levels throughout the medium-term plan period. However, any further reductions from major donors may require a cutback in planned general resources programmes. General resources expenditures will exceed income until 1996 when UNICEF expects income to surpass planned expenditure levels.

47. The plan proposes general resources programme expenditures of $400 million in 1993, $10 million higher than in 1992, to allow for completion of the emergency activity approved by the Executive Board in the mail poll (E/ICEF/1992/P/L.50). For 1994 and 1995, the planned programme expenditures are $390 million, an amount equal to 1992 spending levels. By 1996, UNICEF expects to be able to start increasing programme expenditures. Planned programme expenditures for 1996 are $406 million.

48. Expenditures on a supplementary funds programme begin after a donor pledges its financial support to that programme. When UNICEF receives pledges or contributions for supplementary funds, normally, the entire amount is immediately recognized as income, although actual spending on the programme may occur over several years. As a result, estimated supplementary funds expenditures for a year cannot be equated with supplementary funds income of that year. The unspent balance of programme cooperation from supplementary funds was $511 million at the end of 1992. The financial plan uses projected implementation of the unspent balance and estimated future contributions as the basis to forecast expenditures for 1993-1996.

49. The financial plan forecasts supplementary funds programme expenditures of $385 million for each year of the medium-term plan. This is consistent with the almost uniform total supplementary funds income forecast for the same period.

50. Total programme spending from 1992 to 1996 is forecast to grow at an average 1.5 per cent annually, reaching $791 million by 1996. However, actual spending will depend on achieving the levels of contributions expected in this plan.

Projected budget expenditures

51. The financial plan shows projected budget costs for the period 1993-1996. The revised budget for the biennium 1992-1993 and with the budget for the biennium 1994-1995 are explained in detail in document E/ICEF/1993/AB/L.1 and Corr.1 and Corr.2.

52. Actual budget costs for 1992 were less than expected when UNICEF prepared the budget document. There will now be more than enough budgetary savings in 1992 and 1993 to cover the unforeseen mandatory increases described in the budget document. As a result, the Executive Director has withdrawn the request for a supplementary budget for the 1992-1993 biennium and is now presenting a revised 1992-1993 budget that is $4 million less than the amount originally approved by the Executive Board in 1991.

53. Since the budget for 1995 includes some large one-time items, the plan assumes that the absence of these items in 1996 will offset any mandatory increases. Therefore, the financial plan forecasts budget costs for 1996 that will be the same as for 1995.

Assets and liabilities

54. As explained in paragraph 20 above, movements in non-cash assets and liabilities are also a factor in determining UNICEF year-end cash balance. Line 4 in tables 3, 4 and 5 shows the effect of these movements. The following paragraphs describe some forecasted movements in non-cash assets and liabilities included in these lines.

55. Supplementary funds contributions receivable are forecast to decrease over the medium-term plan period.

56. At its 1990 regular session, the Executive Board approved a capital asset fund to be used for field office accommodation and staff housing (E/ICEF/1990/13, decision 1990/26). At the end of 1992, $19 million remained to be spent from the fund. Planned spending from this fund is $5 million in 1993, $7 million in 1994,[a] $4 million in 1995 and $2 million in 1996.

57. Contributions for following years received in advance are the largest liability on the UNICEF balance sheet. For general resources, this account contained $73 million at the end of 1992. Although UNICEF welcomes pledges paid in advance, the financial medium-term plan makes the conservative assumption that by 1994 pledges to general resources will not be paid in advance. To do otherwise could overestimate the forecast of the available general resources year-end cash balance. As a result, the balance in this account is assumed to be zero at the end of 1994.

58. All the above items - income, expenditure and liquidity - are summarized in table 3, with a breakdown of general resources in table 4 and supplementary funds in table 5. Figures II through V show actual and forecasted financial information by source of fund and in total for the period 1986-1996. Figure VI shows the elements of UNICEF actual and planned expenditures for the same period.

Table 2. General resources: yearly phasing of estimated expenditure

(In millions of United States dollars)

	1993	1994	1995	1996	Beyond 1996	Total recommendations
Programme recommendations						
1. Unspent balances approved in prior years	420	225	148	60	55	908
2. Submitted to 1993 Executive Board a/	36	170	147	23	8	384
3. Implementation adjustment	-56	-5	0	35	26	0
4. Subtotal b/	400	390	295	118	89	1 292
5. To be prepared for 1994 Executive Board			85	70	175	330
6. To be prepared for 1995 and future Executive Board sessions			10	218		
7. Planned programme expenditures	400	390	390	406		
Budget recommendations						
8. Approved at 1991 Executive Board	203					203
9. Submitted to 1993 Executive Board		220	226			446
10. To be prepared for 1995 Executive Board				226		226
11. Planned budget expenditures	203	220	226	226		
Other items						
12. Supply warehouse recovery	-8	-8	-8	-8		
13. Write-offs and miscellaneous	0	0	0	0		
14. Total expenditures	595	602	608	624		

a/ This represents the net additional amount after subtracting available balances from total new submissions of $427 million.

b/ For programme descriptions, see table 3 in document E/ICEF/1993/P/L.2/Add.1.

Table 3. UNICEF financial plan: summary (general resources and supplementary funds)

(In millions of United States dollars)

		Actual		Plan			
		1991	1992	1993	1994	1995	1996
1.	Income	807	938	915	938	966	1 002
	Growth (%)	-2	16	-2	3	3	4
2.	Expenditures						
	(a) Country programmes a/	518	659	685	675	675	682
	Global programmes - HQ	22	27	27	27	27	27
	Global programmes - Field	51	58	73	73	73	82
	Total programmes	591	744	785	775	775	791
	Growth (%)	1	26	6	-1	0	2
	(b) Budget expenditure	167	184	203	220	226	226
	Supply warehouse recovery	-6	-6	-8	-8	-8	-8
	Budget less recovery	161	178	195	212	218	218
	Growth (%)	8	11	10	9	3	0
	(c) Write-offs and miscellaneous	3	10	0	0	0	0
	Total expenditures	755	932	980	987	993	1 009
	Growth (%)	2	23	5	1	1	2
3.	Income less expenditures	52	6	-65	-49	-27	-7
4.	Movements non-cash assets/liabilities	43	62	-51	-72	-6	9
5.	Year-end cash balance						
	(a) Convertible currencies	356	441	325	204	171	173
	(b) Non-convertible currencies	25	8	8	8	8	8
	Total cash balance	381	449	333	212	179	181

a/ Includes regional and subregional programmes.

Table 4. UNICEF financial plan: general resources

(In millions of United States dollars)

	Actual		Plan			
	1991	1992	1993	1994	1995	1996
1. Income	506	548	545	571	598	627
Growth (%)	-5	8	-1	5	5	5
2. Expenditures						
(a) Country programmes	273	335	340	330	330	337
Global programmes - HQ	21	25	25	25	25	25
Global programmes - Field	24	30	35	35	35	44
Total programmes	318	390	400	390	390	406
Growth (%)	-1	23	3	-3	0	4
(b) Budget expenditure	167	184	203	220	226	226
Supply warehouse recovery	-6	-6	-8	-8	-8	-8
Budget less recovery	161	178	195	212	218	218
Growth (%)	8	11	10	9	3	0
(c) Write-offs and miscellaneous	1	0	0	0	0	0
Total expenditures	480	568	595	602	608	624
Growth (%)	2	18	5	1	1	3
3. Income less expenditures	26	-20	-50	-31	-10	3
4. Movements non-cash assets/liabilities	48	29	-26	-82	-6	0
5. Year-end cash balance						
(a) Convertible currencies	249	275	199	86	70	73
(b) Non-convertible currencies	25	8	8	8	8	8
Total cash balance	274	283	207	94	78	81
Liquidity requirement compared to year-end cash balance:						
(a) Minimum liquidity requirement	55	55	57	60	63	66
(b) Convertible currencies year-end cash balance	249	275	199	86	70	73

Table 5. UNICEF financial plan: supplementary funds

(In millions of United States dollars)

		Actual		Plan			
		1991	1992	1993	1994	1995	1996
1.	Income	301	390	370	367	368	375
	Growth (%)	4	30	-5	-1	0	2
2.	Expenditures						
	(a) Country programmes	245	324	345	345	345	345
	Global programmes - HQ	1	2	2	2	2	2
	Global programmes - Field	27	28	38	38	38	38
	Total programmes	273	354	385	385	385	385
	Growth (%)	3	30	9	0	0	0
	(b) Write-offs and miscellaneous	2	10	0	0	0	0
	Total expenditures	275	364	385	385	385	385
	Growth (%)	2	32	6	0	0	0
3.	Income less expenditures	26	26	-15	-18	-17	-10
4.	Movements non-cash assets/liabilities	-5	33	-25	10	0	9
5.	Year-end cash balance						
	(a) Convertible currencies	107	166	126	118	101	100
	(b) Non-convertible currencies	0	0	0	0	0	0
	Total cash balance	107	166	126	118	101	100

Figure II

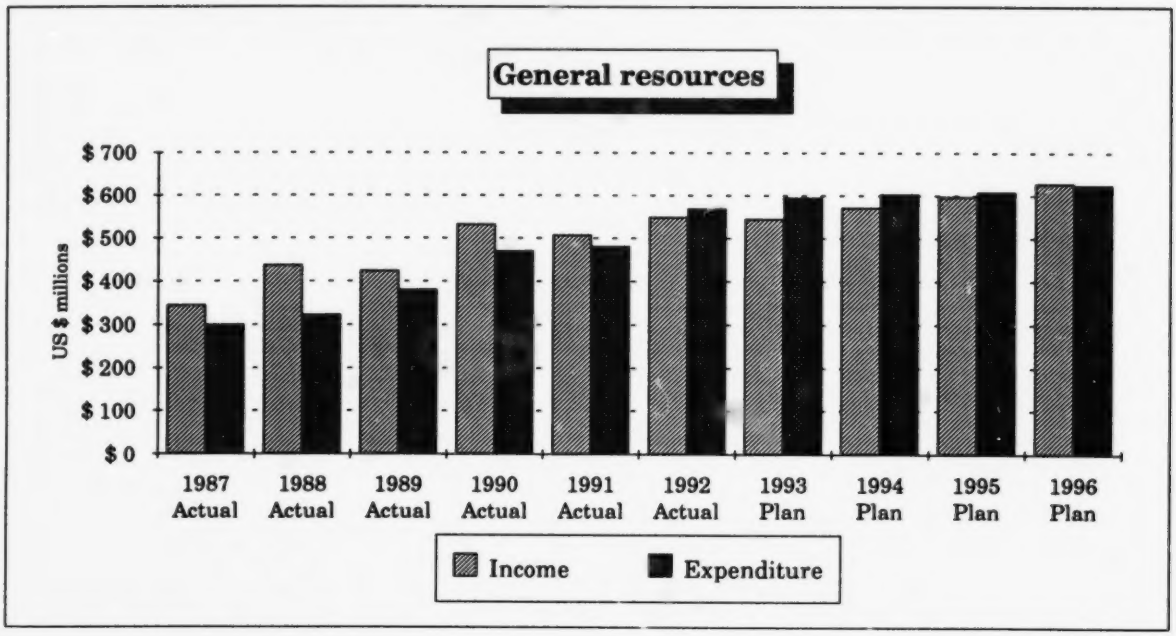


Figure III

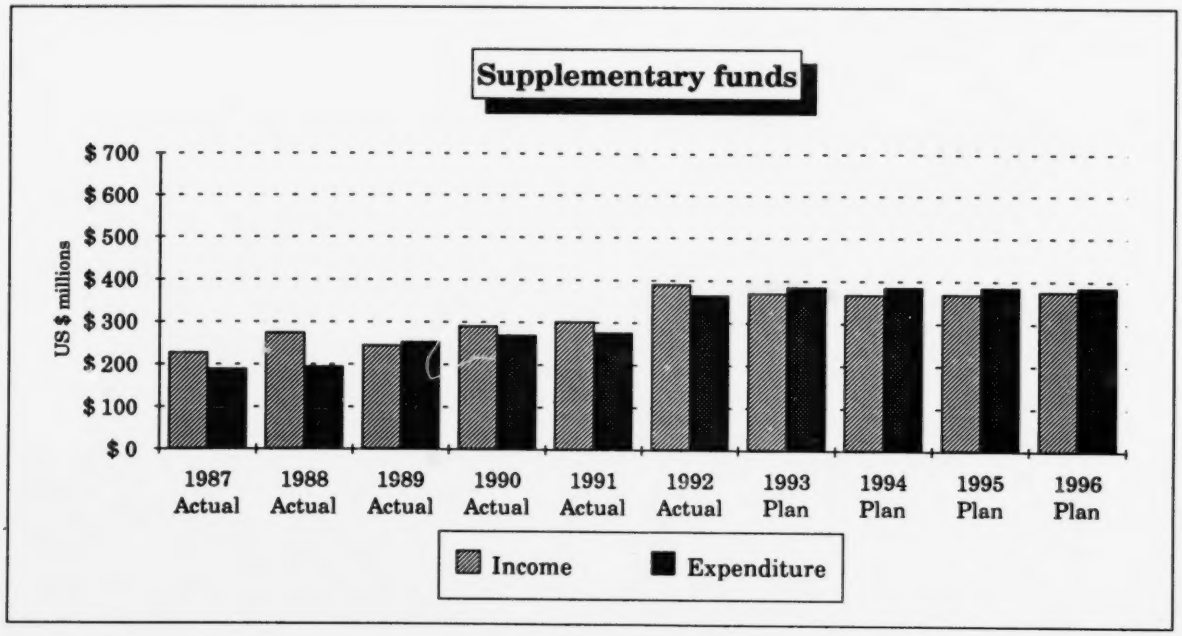


Figure IV

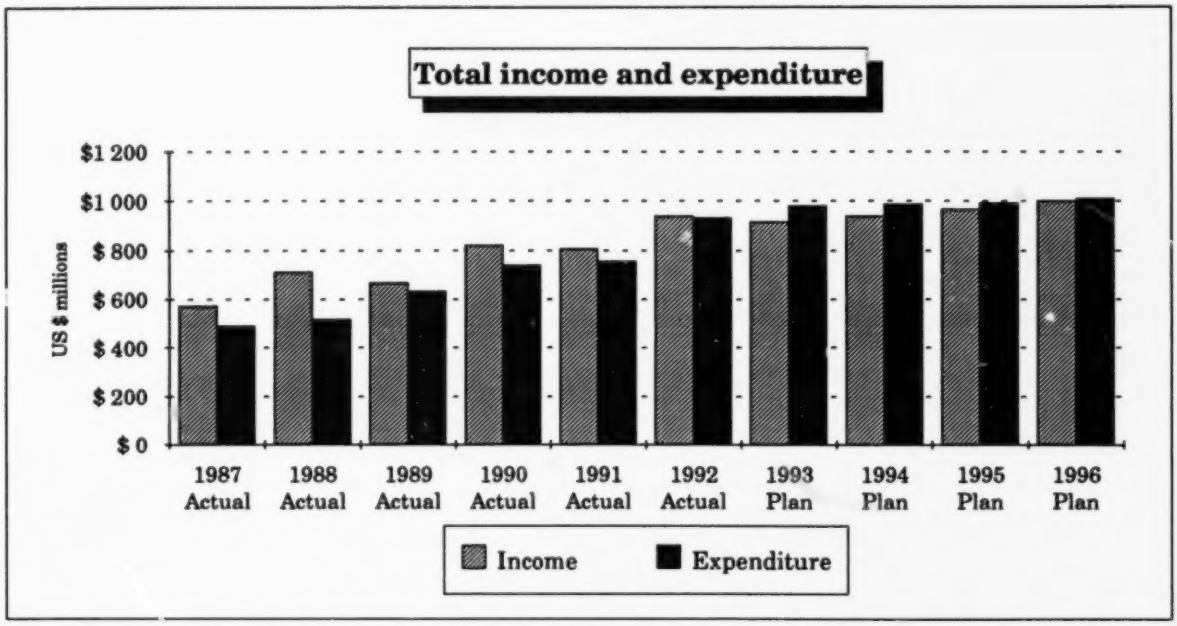


Figure V

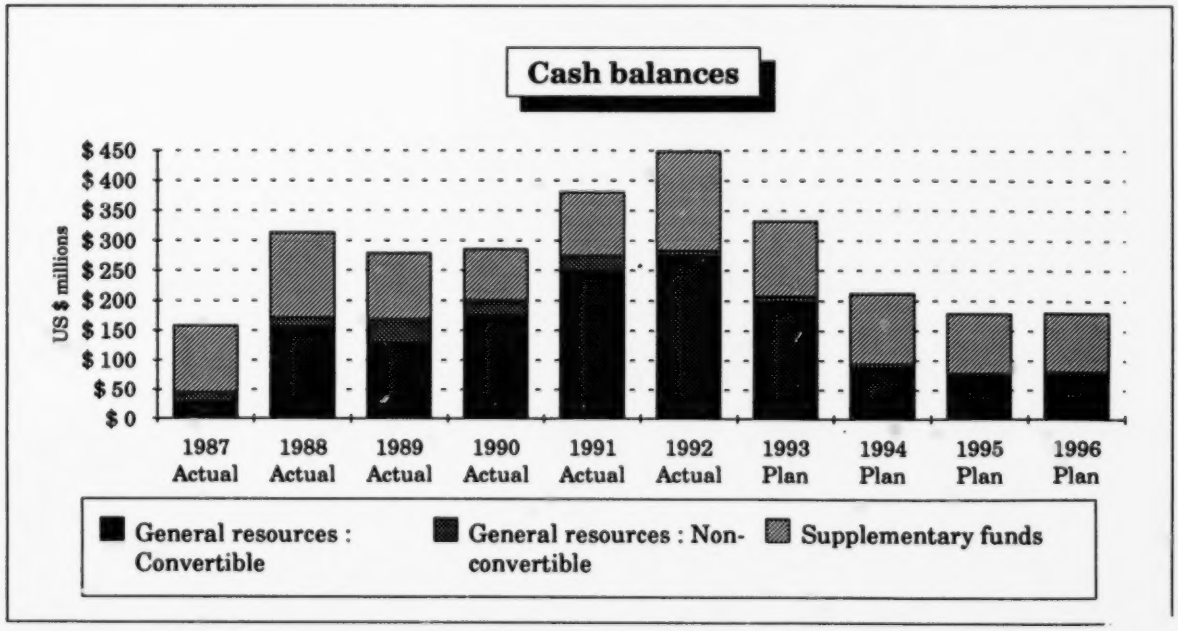
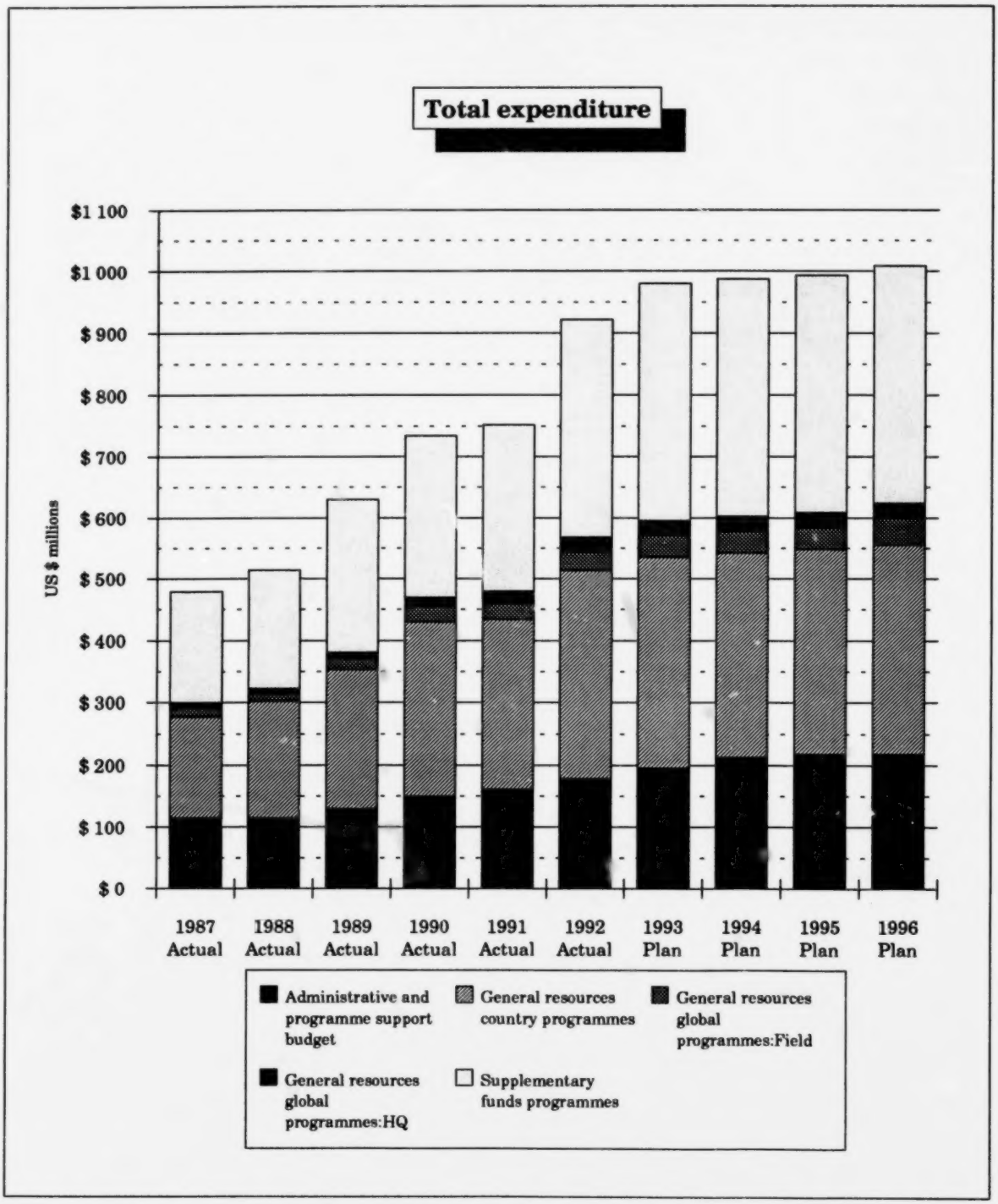


Figure VI


Total expenditure
US $ millions
$1 100
$1 000
$ 900
$ 800
$ 700
$ 600
$ 500
$ 400
$ 300
$ 200
$ 100
$ 0
1987 Actual
1988 Actual
1989 Actual
1990 Actual
1991 Actual
1992 Actual
1993 Plan
1994 Plan
1995 Plan
1996 Plan
Administrative and programme support budget
General resources country programmes
General resources global programmes:Field
General resources global programmes:HQ
Supplementary funds programmes

II. RECOMMENDATION

59. The Executive Director recommends that the Executive Board:

Approve the medium-term plan as a framework of projections for 1993-1996 (summarized in table 3), including the preparation of up to $330 million in programme expenditures from general resources to be submitted to the 1994 Executive Board (shown in table 2, item 5). The amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid.